



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

AUG 25 2014

REPLY TO THE ATTENTION OF:

**VIA CERTIFIED MAIL 7009 1680 0000 7663 5813**  
**RETURN RECEIPT REQUESTED**

Mr. Rob Girton  
General Manager  
Dragon ESP, Ltd.  
8857 E. State Road 14  
Akron, Indiana 46910

Re: Notice of Violation  
Dragon ESP, Ltd.  
EPA ID No.: IND984876888

Dear Mr. Girton:

On August 27, 2013 a representative of the U.S. Environmental Protection Agency inspected the Dragon ESP, Ltd. installation located in Akron, Indiana. The purpose of the inspection was to evaluate Dragon ESP, Ltd.'s compliance with certain provisions of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et seq. (RCRA); specifically, those regulations related to the generation, treatment and storage of hazardous waste. We have enclosed a copy of our inspection report for your reference.

Based on information provided by Dragon ESP, Ltd. personnel; a review of relevant records; and the physical observations made by the inspector at the time of the investigation, EPA has determined that Dragon ESP, Ltd. is engaged in storage of hazardous waste without a permit, and is/was in violation of certain requirements of the Indiana Administrative Code (IAC) and United States Code of Federal Regulations (CFR). To be eligible for the exemption from having a hazardous waste storage permit, Dragon ESP, Ltd. must be in compliance with the conditions of 40 CFR § 262.34(a) and (c), which are incorporated by reference into the Indiana regulations, at 329 IAC 3.1-7-1. We find that Dragon ESP, Ltd. was in noncompliance with the following conditions for a hazardous waste storage permit exemption, and in violation of the following requirements:

1. In order to avoid the need for a hazardous waste storage permit, a large quantity generator's written contingency plan must include, among other items, the following information:
  - A list of all emergency equipment at the facility (such as fire extinguishing systems, spill control equipment, communications and alarm systems (internal



and external), and decontamination equipment), where this equipment is required. This list must be kept up to date. In addition, the plan must include the location and a physical description of each item on the list, and a brief outline of its capabilities.

- An evacuation plan for facility personnel where there is a possibility that evacuation could be necessary. This plan must describe signal(s) to be used to begin evacuation, evacuation routes and alternate evacuation routes (in cases where the primary routes could be blocked by releases of hazardous waste or fires).

See, 329 IAC 3.1-7-1; 40 CFR §§ 262.34(a)(4) and 265.52(e) and (f). These are also requirements of owners and operators of hazardous waste storage facilities under 329 IAC 3.1-9-1 and 40 CFR §§ 264.52(e) and (f).

At the time of the August 27, 2013 inspection, the contingency plan did not show the locations or include the descriptions of fire extinguishers at the Dragon ESP, Ltd. installation.

At the time of the inspection, the contingency plan did not describe primary and alternate evacuation routes.

Dragon ESP, Ltd. therefore failed to comply with the above-mentioned condition for a hazardous waste storage permit, and violated the hazardous waste storage facility contingency plan requirements.

2. In order to avoid the need for a hazardous waste storage permit, a generator must ensure that facility personnel successfully complete a training program as described in 40 C.F.R. § 265.16(a) within six months of their date of employment or assignment to the facility and annually thereafter. See, 329 IAC 3.1-7-1 and 3.1-10-1 [40 C.F.R. § 262.34(a)(4) and 40 C.F.R. § 265.16(b) and (c)]. In order to avoid the need for a hazardous waste storage permit, a generator must maintain records that document that the training or job experience required under 40 C.F.R. § 265.16(a), (b) and (c) has been given to and completed by facility personnel. See, 329 IAC 3.1-7-1 and 3.1-10-1 [40 C.F.R. § 262.34(a)(4) and 40 C.F.R. § 265.16(d)(4)]. In order to avoid the need for a hazardous waste storage permit, a generator must maintain training records for facility personnel until closure of the facility for current personnel, or for at least three years from the date a former employee last worked at the facility as described in 40 C.F.R. § 265.16(e). See, 329 IAC 3.1-7-1 and 3.1-10-1 [40 C.F.R. § 262.34(a)(4) and 40 C.F.R. § 265.16(e)].

At the time of the August 27, 2013 inspection, Dragon ESP, Ltd. could not produce training records for calendar years 2010 and 2011 upon request.



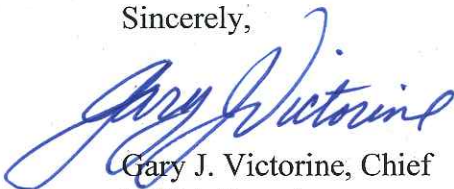
Dragon ESP, Ltd. therefore failed to comply with the above-mentioned condition for a hazardous waste storage permit exemption, and violated the hazardous waste personnel training requirements.

3. A large quantity generator who does not meet the conditions for a permit exemption of 329 IAC 3.1-7-1 and 40 CFR § 262.34(a) is an operator of a hazardous waste storage facility, and is required to obtain an Indiana hazardous waste storage permit. See, 329 IAC 3.1-13-1, 3.1-13-2(5), 3.1-13-3(a) and (d); 40 CFR §§ 270.1(c), 270.13. Upon failing to comply with the storage permit exemption requirements identified in Nos. 1 and 2, above, Dragon ESP, Ltd.'s failure to apply for and obtain a hazardous waste storage permit violated the permitting requirements of 329 IAC 3.1-13-1, 3.1-13-2(5), and 3.1-13-3(a) and (d); and 40 CFR §§ 270.1(c) and 270.13.

At this time, EPA is not requiring Dragon ESP, Ltd. to apply for a hazardous waste storage permit so long as it immediately establishes compliance with the conditions for an exemption outlined above. According to Section 3008(a) of the Resource Conservation and Recovery Act (RCRA), EPA may issue an order assessing a civil penalty for any past or current violation requiring compliance immediately or within a specified time period. Although this letter is not such an order, you are hereby requested to submit a response in writing to this office no later than thirty (30) days after receipt of this letter documenting the actions, if any, which have been taken since the inspection to establish compliance with the above conditions and requirements.

You should submit your response to Michael Valentino, U.S. EPA, Region 5, 77 West Jackson Boulevard, LR-8J, Chicago, Illinois 60604. If you have any questions regarding this letter, please contact Mr. Valentino, of my staff, at (312) 886-4582.

Sincerely,



Gary J. Victorine, Chief  
RCRA Branch

Enclosure

cc: Nancy Johnston, Indiana Department of Environmental Management  
([njohnsto@idem.in.gov](mailto:njohnsto@idem.in.gov))

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 W. JACKSON BOULEVARD  
CHICAGO, IL 60604

COMPLIANCE EVALUATION INSPECTION REPORT

MEMORANDUM TO FILE

INSTALLATION NAME: Dragon ESP, Ltd.  
U.S. EPA ID No.: IND 984 876 888  
LOCATION ADDRESS: 8857 E. State Road 14  
Akron, IN 46910  
NAICS CODES: 332999 (All Other Miscellaneous Fabricated  
Metal Product Manufacturing)  
DATE OF INSPECTION: August 27, 2013  
EPA INSPECTOR: Michael Valentino

PREPARED BY:

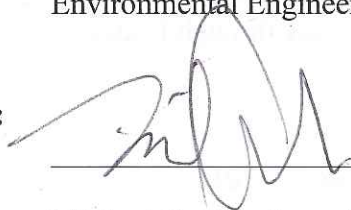


Michael Valentino,  
Environmental Engineer

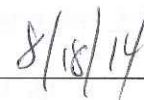


Date

REVIEWED BY:



Michael Cunningham, Chief  
Compliance Section 1  
RCRA Branch



Date

### **Purpose of Inspection:**

The purpose of the inspection was to perform an unannounced compliance evaluation inspection (CEI) at Dragon ESP, Ltd., a large quantity generator of hazardous waste, to determine its compliance with the Resource Conservation and Recovery Act, specifically the Standards Applicable to Generators of Hazardous Waste, Standards for Land Disposal Restrictions, and Management of Used Oil set forth at 329 Indiana Administrative Code Part 325 and Title 40 of Code of Federal Regulations (40 CFR) Parts 262 to 265, 268 and 279, respectively.

### **Participants:**

Rob Girton, General Manager, (ph: 574-893-1569; [rob.girton@modernusa.com](mailto:rob.girton@modernusa.com)), and Tara Howell, Administrative Assistant, (ph: 877-765-0633; [tara.howell@modernusa.com](mailto:tara.howell@modernusa.com)), represented Dragon ESP, Ltd. Michael Valentino represented U.S. EPA Region 5, Land and Chemicals Division, RCRA Branch.

### **Installation Description:**

Dragon ESP, Ltd. assembles and paints frac tanks and roll-off boxes at its Akron, Indiana facility. Dragon ESP, Ltd. is a subsidiary of The Modern Group, which is headquartered in Beaumont, Texas.

Dragon ESP, Ltd. occupies 15 acres in a rural area at the intersection of Indiana State Route 14 and S. County Road 875 E in north-central Indiana, in the town of Akron. The facility consists of two rectangular-shaped buildings laid out roughly north-to-south, with total under-roof-area of approximately 90,000 square feet.<sup>1</sup>

Dragon ESP, Ltd. generates waste paint-related materials. Waste is transported by Heritage-Crystal Clean, LLC and sent to Petro-Chem Processing Group in Detroit.

Dragon ESP, Ltd. has approximately 50 employees at its Akron, Indiana location. According to Mr. Girton, employment is down from 170 employees. Dragon ESP, Ltd. operates one shift, 6:30 am to 2:30 pm, Monday through Friday.

### **Opening Conference:**

I arrived at the facility at 10:45 am on August 27, 2013.

I entered the larger of the two buildings and found an interior office area on the west side of the building, set in less than 100 feet from its north entrance. I displayed my

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<sup>1</sup> Estimate by author based on measurements from an aerial photo at:  
[http://oaspub.epa.gov/enviro/fii\\_query\\_dtl\\_disp\\_program\\_facility?pgm\\_sys\\_id\\_in=IND984876888&pgm\\_sys\\_acrnm\\_in=BR](http://oaspub.epa.gov/enviro/fii_query_dtl_disp_program_facility?pgm_sys_id_in=IND984876888&pgm_sys_acrnm_in=BR).



enforcement credentials to Ms. Howell, who was in the office. She contacted Mr. Girton and I showed him my credentials when he arrived.

I informed Mr. Girton of the nature of my visit. I explained to him that I wanted to tour the facility and observe any areas where hazardous waste was generated or stored and that I would want to review documents. I then described to him what documents I would want to review.

Mr. Girton and I began to walk through the facility as Ms. Howell retrieved the documents.

### **Inspection and Observations:**

Mr. Girton and I began the site walk-through at approximately 10:55 am and returned to the office area at 11:15 am.

We began the walk-through at the 90-day waste storage area which is located in the waste collection shed, east of the Paint Building. There I observed two 55-gallon steel drums containing waste paint-related material. One drum was dated July 12, 2013, the other, August 5, 2013. Both drums were closed and properly labeled. The shed is sloped to a container manhole nearby, which allows for containment and collection if a spill were to occur.

Workers are equipped with Nextel two-way radios. A spill kit and fire extinguisher are located near the waste collection shed. The manufacturing building is equipped with an overhead sprinkler system (water is used) and fire extinguishers in the building are checked once a year.

We toured the welding areas and paint booth. I asked Mr. Girton if Dragon ESP, Ltd. made a waste determination on the filters from the paint booth. He responded that they had and that the filters were non-hazardous. They are discarded with general refuse.

Air pick-up points are routed to a fabric filter baghouse which collects metallic dust. The dust was tested by the company and is non-hazardous. It is hauled away with metal shavings from the fabrication process as non-hazardous.

I observed one used oil container, a 250-gallon IBC tote located outdoors. The tote was labeled with the words, "Used Oil," and I observed it to be closed and in good condition. There was no evidence of spillage of oil in the area.

We toured the outdoor staging area where frac tanks and roll-offs either to be painted or awaiting delivery to customers were stored.

### Records Review:

Ms. Howell gathered the records I had requested.

The following narrative summarizes the documents I reviewed on the day of the inspection.

#### *Hazardous Waste Manifests*

I reviewed hazardous waste manifests from 2011 through 2013. Manifests from 2013 up to the time of the inspection are summarized below. Each of the 2013 manifests were signed by Kristina Compton/Kristina Malchow (same person, name changed after marriage) for Dragon ESP, Ltd.

The manifests were filled out properly, and signed copies from the destination facilities were returned to Dragon ESP, Ltd. within 35 days of shipment.

MANIFEST NO.	WASTE STREAM	WASTE CODE	QUANTITY SHIPPED	DATE GENERATOR SIGNED	DATE TSDF SIGNED	RECEIVING FACILITY
002047920GBF	Waste paint-related material	F003, D001, D035	2 drums (110 gal)	1/24/13	2/7/13	Petro-Chem Processing Group Detroit, MI MID980615298
002058617GBF	Waste paint-related material	F003, D001, F005	2 drums (110 gal)	3/15/13	3/28/13	Petro-Chem Processing Group Detroit, MI MID980615298
001848994GBF	Waste paint-related material	F003, F005, D001, D007, D008, D035	3 drums (165 gal)	4/25/13	5/8/13	Petro-Chem Processing Group Detroit, MI MID980615298
002108293GBF	Waste paint-related material	F003, F005, D001, D007, D008, D035	1 drum (55 gal)	5/13/13	5/29/13	Petro-Chem Processing Group Detroit, MI MID980615298
001020753GBF	Waste paint-related material	F003, F005, D001, D007, D008, D035	1 drum (55 gal)	6/27/13	7/5/13	Petro-Chem Processing Group Detroit, MI MID980615298

#### *Annual Hazardous Waste Reports*

I asked for and received the two most current annual reports (for offsite shipments in 2011 and 2012). The reports were signed by Doug Fierce, Chief Operating Officer, on February 23, 2012 and February 28, 2013, for waste generation/transport years 2011 and 2012, respectively.

The annual reports identified Dragon ESP, Ltd.'s NAICS code as 332999.



The following waste stream was shipped offsite during the above reporting years:

## 2011

<u>WASTE STREAM</u>	<u>CODES</u>	<u>QUANTITY</u>	<u>RECEIVING FACILITY</u>
Waste paint related material	D001, D035 F003	10,956 lb	Petro-Chem Processing Group Detroit, MI MID980615298

## 2012

<u>WASTE STREAM</u>	<u>CODES</u>	<u>QUANTITY</u>	<u>RECEIVING FACILITY</u>
Waste paint related material	D001, D035 F003	14,608 lb	Petro-Chem Processing Group Detroit, MI MID980615298

Note: The Hazardous Waste Biennial Report Form OI for reporting year 2011 shows the receiving facility to be Petro-Chem Processing Group; however, the facility ID is incorrectly reported to be MID960615298 (not MID980615298). The Annual Manifest Summary Report Form OS for reporting year 2012 shows the receiving facility to be Petro-Chem Processing Group; however, the facility ID is incorrectly reported to be MTD980615298 (not MID980615298).

### *Weekly Inspection Logs*

I received weekly container inspection logs for the 90-day container storage area and SAA container area for years 2011 through 2013. I found these to be complete and in satisfactory order.

### *Contingency Plan*

I asked for the facility's contingency plan and received a copy of Dragon ESP, Ltd.'s most current plan which was dated April 4, 2009. The contingency plan listed Mr. Girton as the Primary Emergency Coordinator and Mike Eberwein as the 1<sup>st</sup> Alternative Emergency Coordinator.

The contingency plan lacked primary and alternate evacuation routes and locations and descriptions of emergency equipment (most especially, fire extinguishers). The contingency plan included the other required elements.

According to Mr. Girton, the contingency plan had not been put into action over the three-year period prior to the inspection.

### *RCRA Training*

I reviewed the training records and found the RCRA training content to be satisfactory. At the time of the inspection Dragon ESP, Ltd. last conducted its hazardous waste training on September 13, 2012. Dragon ESP, Ltd. could not produce documentation of RCRA training for years 2010 and 2011.

### *Pollution Prevention Plan*

Dragon ESP, Ltd. does not have a written Pollution Prevention Plan. However, with its 2011 Hazardous Waste Biennial Report Form WM, under Item B., Waste Reduction Efforts, Dragon ESP, Ltd. states, "Eliminated use of xylene in favor of acetone for cleanup solvent, reducing toxicity of waste product. Removed cans of dried paint from hazardous waste stream." On the same form under Item C., Waste Changes, Dragon ESP, Ltd. states, "Increased production exceeded waste minimization efforts."

I completed my review of the above documents at 1:15 pm.

### **Exit Conference:**

At the completion of the records review, I met briefly with Mr. Girton and Ms. Howell to review my findings.

Before leaving, I presented Mr. Girton with copies of the Region 5 Pollution Prevention (P2) contact information and State Agency P2 contact information fact sheet and the U.S. EPA Small Business Resource Information Sheet.

I left the site at approximately 1:30 pm.